



Institute for
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COURT STRIKES DOWN TRUMP ADMINISTRATION’S MOVE TO WEAKEN FUEL-ECONOMY VIOLATION PENALTIES

Today, the U.S. Court of Appeals for the Second Circuit in New York vacated the Trump administration’s illegal delay of penalty adjustments for automakers that violate fuel-economy standards. This delay was one of the administration’s first actions in its broader attempt to weaken efficiency rules for cars and trucks. As a result of this court decision, penalty increases for automakers that violate the standards, approved under the Obama administration, are reinstated effective immediately. The Institute for Policy Integrity filed an amicus brief in this case.

The National Highway Transportation Safety Administration (NHTSA) issued a 2016 rule to update civil penalties for industry violations of fuel economy standards. These penalties had not been adjusted for inflation since 1975.

This case concerned the Trump administration’s decision to indefinitely suspend the effective date of this penalty update. As a result of the suspension, penalties for industry were reduced from \$14 per tenth of a mile-per-gallon to \$5.50.

In issuing the Suspension Rule, NHTSA asserted that it would not cause any harm. But as NHTSA’s own model predicted, the lowered penalty was bound to harm the public by decreasing the fuel efficiency of cars and making consumers buy more fuel. The increased fuel used would also raise emissions of air pollution and greenhouse gases.

Sylwia Bialek, PhD, of the Institute for Policy Integrity, used NHTSA’s own model to analyze the effects of the Suspension Rule and found that vehicles would consume an extra 54 billion gallons of fuel between 2017 and 2032 if the rule was suspended indefinitely.

Richard Revesz, Lawrence King Professor of Law and Dean Emeritus at New York University School of Law, and Director of the Institute for Policy Integrity, has released the following statement on this ruling:

“The Trump administration’s first step in its effort to weaken vehicle efficiency standards has now failed. The administration’s disregard for the law and the poor quality of the analytical work underlying its deregulatory actions continue to lead to court losses. Today’s result is likely a predictor of analytical and legal weaknesses in the administration’s broader effort to water down vehicle-efficiency rules, which includes the weakening of the standards for 2022-25 model years.”

Bethany Davis Noll, Litigation Director at the Institute for Policy Integrity at New York University School of Law, has released the following statement on this ruling:

“Today’s decision again exposes the emptiness of the Trump administration’s deregulatory agenda. Ignoring the procedural requirements that govern rollbacks causes uncertainty and chaos for industry, while putting valuable benefits to the public at risk.”

Sylwia Bialek, PhD, an Economic Fellow at the Institute for Policy Integrity at New York University School of Law, has released the following statement on this ruling:

“There is no question that the public would be worse off as a result of this suspension. NHTSA should be aware of the enormous impact of the suspension, since it is predicted by the agency’s own models.”

Related Resources:

[Our amicus brief in this litigation](#), which explains why the suspension rule violates administrative law.

Bialek’s research on the forecasted impacts of the suspension rule, [submitted as an affidavit in this litigation](#).

Revesz, Davis Noll, and Bialek are available for interviews on this matter.

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